



MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Violet Varona-Lukens, Executive Officer
Clerk of the Board of Supervisors
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

Chief Administrative Officer
Auditor-Controller

At its meeting held September 21, 2004, the Board took the following action:

62-D

The following item was called up for consideration:

Supervisor Yaroslavsky's recommendations to find that property is surplus to any present or foreseeable County need and can be used to provide rental housing affordable to persons and families of low and moderate income, and that this use is in the County's best interest; approve sale of the property located at 5026 Santa Monica Blvd., Los Angeles (3), to Hollywood Community Housing Corporation (HCHC) at its appraised fair market value of \$1,500,000, to develop for retail use and affordable rental housing, subject to specific conditions; find that proposed sale of surplus property is exempt from the California Environmental Quality Act; and approve the following related actions:

Approve the loan evidenced by a Note secured by a first lien Deed of Trust recorded against the property wherein the County will provide acquisition financing in amount of \$1,495,000 with an interest at 7% per annum, cumulative and compounded on an annual basis, all due and payable in 24 months from the date of purchase, with acceleration of the amounts due upon default;

Authorize the Chief Administrative Officer to negotiate terms of the sale, including a Purchase and Sale Agreement;

Instruct the Chairman to execute a Purchase and Sale Agreement, and Quitclaim Deed and Restrictive Covenant;

Instruct the Auditor-Controller to deposit the sale proceeds into the Asset Development Implementation Fund as directed by the Chief Administrative Officer;

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Authorize the Chief Administrative Officer to negotiate and execute a Subordination Agreement with a construction lender for the purpose of allowing the lender to finance the project without the Restrictive Covenant as to the development of affordable housing, so long as HCHC is in compliance with the terms of the Restrictive Covenant, Note, and Deed of Trust and the Chief Administrative Officer and County Counsel approve all terms and conditions of the Subordination Agreement; and

Instruct the Chief Administrative Officer to execute any other related documents.

Supervisor Yaroslavsky submitted the following revised recommendations during the Board meeting.

The following statement was entered into the record for Supervisor Yaroslavsky:

“The County owns an 18,645 square foot office building on 36,240 square feet of land located at 5026 Santa Monica Boulevard in the City of Los Angeles which is vacant and considered surplus to any present or foreseeable County needs. This building formerly served as an office for the Department of Public Social Services’ In-Home Supportive Services. Staff associated with that program were relocated to another County facility as part of that Department’s consolidation.

“Hollywood Community Housing Corporation (HCHC) is a nonprofit organization that constructs and manages affordable housing developments with a focus on the Hollywood neighborhood. HCHC has investigated the feasibility of developing the subject site for mixed use, affordable rental housing, and retail purposes. They have determined that there is a need in the community and that the site can support such a development. County staff has determined that the property is zoned for residential and retail development and can be used to provide affordable housing. In accordance with the Government Code, the County has an opportunity to effect a direct sale to HCHC or a limited partnership in which HCHC is the general partner (collectively, ‘HCHC’), at market value in exchange for HCHC’s agreement to redevelop the property for the purpose of housing persons and families of low income.”

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Therefore, on motion of Supervisor Yaroslavsky, seconded by Supervisor Antonovich, unanimously carried (Supervisor Knabe being absent), the Board took the following actions as authorized by Government Code Section 25539.4:

1. Made a finding that property located at 5026 Santa Monica Boulevard, Los Angeles (3), is surplus to any present or foreseeable County need and can be used to provide rental housing affordable to persons and families of low and moderate income, and that this use is in the County's best interest;
2. Made a finding that the proposed sale of the surplus property is exempt from the California Environmental Quality Act (CEQA) pursuant to Class 12 of the County's Environmental Document Reporting Procedures and Guidelines and Sections 15312 and 15280 of the State CEQA Guidelines, and that the loan for the purchase of the property is categorically exempt from CEQA pursuant to Class 10 of the County's Environmental Document Reporting procedures and Guidelines and Section 15310 of the State CEQA Guidelines;
3. Approved a sale of the subject property, to Hollywood Community Housing Corporation (HCHC) at its appraised fair market value of \$1,500,000, subject to the following conditions:
 - a. That the property will be developed for retail use and 50 units or more of affordable rental housing and that at least 40% of the residential units developed shall be affordable to households earning no more than 75% of the maximum income of "lower-income households," 20% of the residential units developed shall be affordable to "very low-income households," and the remainder of the residential units developed (provided that up to two units may be used as manager's units) shall be available at all times to persons earning no more than 60% of the area median income for lower income households, as said terms are defined in Section 50079.5 and 50105 of the Health and Safety Code, for a period of 55 years;
 - b. That the residential portion of the development be constructed with no less than 28,992 square feet (a figure equal to 80% of the land area) of living space dedicated for such affordable housing; and
 - c. That the terms of the Sale and Purchase Agreement and the Restrictive Covenant meet all of the conditions and provisions of Government Code Section 25539.4;

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4. Approved the loan evidenced by a Note secured by a first lien Deed of Trust recorded against the property wherein the County will provide acquisition financing in amount of \$1,495,000 with interest at 7% per annum, cumulative and compounded on an annual basis, all due and payable in 24 months from the date of purchase, with acceleration of the amounts due upon default;
5. Authorized the Chief Administrative Officer to negotiate terms of the sale in accordance herewith, including a Purchase and Sale Agreement subject to approval by County Counsel;
6. Instructed the Chairman to execute a Purchase and Sale Agreement on behalf of the County upon presentation by the Chief Administrative Officer;
7. Instructed the Chairman to execute a Quitclaim Deed and Restrictive Covenant when prepared by the Chief Administrative Officer in accordance herewith, after review and approval by County Counsel;
8. Instructed the Auditor-Controller to deposit the sale proceeds into the Asset Development Implementation Fund as directed by the Chief Administrative Officer;
9. Authorized the Chief Administrative Officer to negotiate and execute, subject to approval by the County Counsel, a Subordination Agreement with a construction lender for the purpose of allowing the lender to finance the project without the Restrictive Covenant as to the development of affordable housing, so long as HCHC is in compliance with the terms of the Restrictive Covenant, Note, and Deed of Trust and the Chief Administrative Officer and County Counsel approve all terms and conditions of all of the financing for the project and the Subordination Agreement; and
10. Instructed the Chief Administrative Officer to execute any other related documents to carry out the purposes of this motion after review and approval by County Counsel.

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Copies distributed:
Each Supervisor
County Counsel